GOVERNMENT OF INDIA
LABOUR
LOK SABHA

UNSTARRED QUESTION NO:1741
ANSWERED ON:03.03.2003
WAGE POLICY FOR UNORGANISED LABOURERS
P.D. ELANGOVAN

Will the Minister of LABOUR be pleased to state:

(a) whether the Government propose to revise the existing wage policy for the benefit of the labour force in the unorganised sector and in hazardous industrial jobs; and

(b) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF LABOUR (SHRI VIJAY GOEL)

(a) & (b): A National Wage Policy has not been formulated so far on considerations of issues such as prices, employment, productivity, social justice, capital formation and the structural features of the economy. However, the Minimum Wages Act, 1948 has been enacted primarily to safeguard the interest of unorganised sector workers who are vulnerable to exploitation due to illiteracy and lack of bargaining power. The Act provides for fixation, revision and enforcement of minimum wages in scheduled employments both in the Central and State spheres.

There are widespread disparities in the minimum wages across the country due to variations in factors like socio-economic and agro-climatic conditions, productivity, paying capacity, prices of essential commodities and local conditions. In order to reduce the disparity, the Central Government mooted the concept of national floor level wage and fixed it at Rs.35/- per day in 1996 based on the recommendation of National Commission on Rural Labour (1991). The national floor level wage has been subsequently raised over the years reflecting rise in the consumer price index, the last revision being Rs.50/- per day w.e.f. 1.9.2002. The Central Government has been urging the State Governments from time to time to ensure that in none of the scheduled employments the minimum wage is below the national floor level wage.